

# House File 582 - Introduced

HOUSE FILE \_\_\_\_\_  
BY CHAMBERS

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to the procedure for releasing a security  
2 interest in a snowmobile, an all-terrain vehicle, or a vessel.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 2446YH 82  
5 dea/je/5

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1 1 Section 1. Section 321G.32, subsection 3, Code 2007, is  
1 2 amended by striking the subsection and inserting in lieu  
1 3 thereof the following:  
1 4 3. When a security interest is discharged, the secured  
1 5 party shall note the cancellation of the security interest on  
1 6 the face of the certificate of title and send the title by  
1 7 first class mail to the office of the county recorder where  
1 8 the title was issued, or the secured party shall send a  
1 9 notarized letter by first class mail to the county recorder  
1 10 where the title was issued notifying the county recorder of  
1 11 the cancellation of the security interest. The county  
1 12 recorder shall note the release of the security interest in  
1 13 the county records as evidence of the release of the security  
1 14 interest.  
1 15 Sec. 2. Section 321I.34, subsection 3, Code 2007, is  
1 16 amended by striking the subsection and inserting in lieu  
1 17 thereof the following:  
1 18 3. When a security interest is discharged, the secured  
1 19 party shall note the cancellation of the security interest on  
1 20 the face of the certificate of title and send the title by  
1 21 first class mail to the office of the county recorder where  
1 22 the title was issued, or the secured party shall send a  
1 23 notarized letter by first class mail to the county recorder  
1 24 where the title was issued notifying the county recorder of  
1 25 the cancellation of the security interest. The county  
1 26 recorder shall note the release of the security interest in  
1 27 the county records as evidence of the release of the security  
1 28 interest.  
1 29 Sec. 3. Section 462A.84, subsection 3, Code 2007, is  
1 30 amended by striking the subsection and inserting in lieu  
1 31 thereof the following:  
1 32 3. When a security interest is discharged, the secured  
1 33 party shall note the cancellation of the security interest on  
1 34 the face of the certificate of title and send the title by  
1 35 first class mail to the office of the county recorder where  
2 1 the title was issued, or the secured party shall send a  
2 2 notarized letter by first class mail to the county recorder  
2 3 where the title was issued notifying the county recorder of  
2 4 the cancellation of the security interest. The county  
2 5 recorder shall note the release of the security interest in  
2 6 the county records as evidence of the release of the security  
2 7 interest.

### EXPLANATION

2 8  
2 9 This bill provides a new mechanism for processing the  
2 10 cancellation of a security interest in a snowmobile,  
2 11 all-terrain vehicle, or watercraft. Currently, the secured  
2 12 party is required to present the certificate of title to the  
2 13 county recorder upon filing a release statement, and a new or  
2 14 endorsed certificate is issued to the owner. Under the bill,  
2 15 the secured party shall note the cancellation of the security  
2 16 interest on the title and mail it to the county recorder, who  
2 17 shall note the release in the county records and attach the  
2 18 letter of cancellation to the certificate of title as evidence  
2 19 of the release of the security interest. As an alternative,  
2 20 the secured party may notify the county recorder of the

2 21 cancellation of the security interest by sending a notarized  
2 22 letter to the county recorder.  
2 23 LSB 2446YH 82  
2 24 dea:nh/je/5